

**LEGISLATIVE FISCAL OFFICE  
ANALYSIS OF BA-7 REQUEST  
Approved By JLCB**

**DEPARTMENT:** Natural Resources

**AGENDA NO.:** 1

**AGENCY:** Coastal Restoration

**ANALYST:** Stephanie C. Blanchard

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Coastal Restoration & Management	\$103,090,597	0
Interagency Transfers:	\$0			
Self-Generated Revenue:	\$0			
Statutory Dedications:	\$0			
Federal Funds:	\$103,090,597			
<b>Total</b>	<b><u>\$103,090,597</u></b>	<b>Total</b>	<b><u>\$103,090,597</u></b>	<b><u>0</u></b>

**I. SUMMARY/COMMENTS**

The purpose of this BA-7 request is to increase federal budget authority in the amount of \$103,090,597 for the Office of Coastal Protection & Restoration (OCPR) in order to receive monies from various federal agencies, including the U.S. Department of Commerce, U.S. Department of the Interior, U.S. Environmental Protection Agency and the Natural Resources Conservation Service. Additional budget authority is necessary in order to receive reimbursements from several federal agencies. Also, an increase is needed for the remaining months of this fiscal year to continue paying the state's obligations on ongoing signed contracts for construction projects and purchase orders for delivery of services related to current coastal activities.

As of 07/01/09, there were 14 projects that were in the construction phase, including Coastal Wetlands Planning and Restoration (CWPPRA) and Coastal Impact Assistance Program (CIAP) projects. CWPPRA projects require a 15% state match, while CIAP projects do not require a state match. Estimated construction expenditures for these projects was \$142,434,046. The federal share for these projects was \$126,526,481 and the state's share was \$15,907,565.

OCPR utilizes the Coastal Protection & Restoration Fund to pay contracts and purchase orders. This statutorily dedicated fund has a recurring source of funding from mineral revenue (\$60M in FY 09 and \$120M projected in FY 10) and is also used to pay the state's match for CWPPRA projects. Cost share and cooperative agreements with the federal agencies allow OCPR to be reimbursed for their share of project expenditures.

FY 10 federal budget authority for OCPR was \$23,435,884. OCPR was appropriated budget authority only to the extent that cash payments would be made for coastal projects for FY 10. Therefore, this request is for \$103,090,597 (\$126,526,481-\$23,435,884). Of this amount, approximately \$30M is needed for reimbursements from federal agencies and \$73M is needed for the remaining months of this fiscal year in order to pay the state's obligations on projects currently under construction.

This funding will be budgeted in other charges and expenses include all materials, labor, supplies, tools, and equipment necessary to complete construction projects. See attached spreadsheet for further information.

**II. IMPACT ON FUTURE FISCAL YEARS**

These funds will annualized for the same amount in subsequent fiscal years.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

Estimated Construction Expenditures from Present thru end of FY10

P.O.#	Federal Project Name/Project Type	Federal/State %	Contractor	Contract Time	Original Contract Amount	Contract Balance as of 7/1/09	Federal Share	State Share
3481348	Highway 384 Hydrologic Restoration Project/CWPPRA	85/15	Simon & Delaney	07/01/09-06/30/10	\$10,800	\$10,800	\$9,180	\$1,620
3503357	Sabine National Wildlife Refuge Structure Replacement Project/CWPPRA	85/15	C C Lynch	07/01/09-06/30/10	\$12,630	\$12,630	\$10,736	\$1,894
3494529	Cameron-Creole Watershed Project/CWPPRA	85/15	API Control System Solutions Inc	07/01/09-06/30/10	\$12,740	\$12,740	\$10,830	\$1,910
3324721	North Lake Mechant Landbridge Restoration Project/CWPPRA	85/15	Manson Construction	06/06/08-10/28/09	\$30,866,770	\$16,436,966	\$13,971,421	\$2,465,545
3425363	Pass Chaland to Grand Bayou Barrier Shoreline Restoration Project/CWPPRA	85/15	Great Lakes Dredge & Dock	06/06/08-04/02/09	\$34,728,040	\$12,356,547	\$10,463,524	\$1,893,023
3541956	Dedicated Dredging on the Barataria Basin Landridge/CWPPRA&CIAP	85/15-100/0	Pine Bluff Sand & Gravel	09/11/08-01/24/10	\$29,249,600	\$23,986,484	\$22,547,295	\$1,439,189
3421942	Whiskey Island Back Barrier Marsh Creation/CWPPRA	85/15	Weeks Marine	02/11/09-11/07/09	\$23,094,000	\$22,778,534	\$19,361,753	\$3,416,780
3419637	Mississippi Sediment-Bayou Dupont/CWPPRA	85/15	Great Lakes Dredge & Dock	2/04/09-10/31/09	\$20,719,145	\$20,719,145	\$17,611,273	\$3,107,872
3444497	Rockefeller Refuge Shoreline Demonstration Project/CIAP	100/0	Choctaw Transportation	4/9/09-10/27/09	\$9,353,000	\$8,778,820	\$8,778,820	\$0
3472868	East Grand Terre Island Restoration Project/CIAP	100/0	Weeks Marine	07/06/09-3/23/10	\$28,513,465	\$27,000,000	\$23,517,000	\$3,483,000
3478128	Pass Chaland to Grand Bayou Barrier Shoreline Restoration Project/CWPPRA	85/15	Erosion Control	07/09/09-1/25/10	\$398,000	\$398,000	\$337,026	\$60,974
3483183	Grand Lake Shoreline Protection Project/CIAP	100/0	Luhr Brothers	07/28/09-04/26/10	\$9,705,000	\$9,705,000	\$9,705,000	\$0
3521107	Bayou Dupont Ridge and Marsh Creation/CWPPRA	85/15	Louisiana Landscape Speciality	10/06/09-1/14/10	\$78,900	\$78,900	\$67,065	\$11,835
3409894	Cameron-Creole Watershed Hydrologic Restoration Project/CWPPRA	85/15	M & M Electric DBA Edward McCain	1/5/09-5/9/09	\$159,480	\$159,480	\$135,558	\$23,922
					<b>\$186,901,570</b>	<b>\$142,434,046</b>	<b>\$126,526,481</b>	<b>\$15,907,564</b>
						FY 10 Federal Budget Amount	<u>(\$23,435,884)</u>	<u>\$103,090,597</u>

**LEGISLATIVE FISCAL OFFICE  
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**DEPARTMENT:** Wildlife & Fisheries

**AGENDA NO.:** 3

**AGENCY:** Office of Secretary

**ANALYST:** Stephanie C. Blanchard

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Administrative	\$0	0
Interagency Transfers:	\$0	Enforcement	\$407,640	0
Self-Generated Revenue:	\$0			
Statutory Dedications:	\$0			
Federal Funds:	\$407,640			
<b>Total</b>	<b><u>\$407,640</u></b>	<b>Total</b>	<b><u>\$407,640</u></b>	<b><u>0</u></b>

**I. SUMMARY/COMMENTS**

The purpose of this BA-7 request is to increase federal budget authority in the amount of \$407,640 in order to accept federal stimulus funds from the American Recovery & Reinvestment Act Port Security Grant Program. Funding is from 5 grants from the U.S. Department of Homeland Security/FEMA and will be utilized to purchase equipment that will enhance the nation's port and maritime infrastructure to prevent, protect, respond to, and recover from threats or acts of terrorism. Each of the 5 grants is for a specific port (Alexandria, Columbia, Greater Ouachita/Monroe, Iberia, Shreveport).

This funding will be budgeted in supplies (\$4,400) and acquisitions (\$403,240) and specifically will be utilized to purchase the following:

20 thermal imaging handhelds (FLIR) at \$10,000 each  
20 weather proof cases for handhelds at \$220 each  
5 SONARs (side scan sonar) at \$40,000 each  
1 "ruggedized" laptop at \$3,240

"Ruggedized" laptops are designed to protect against various hazards, such as extreme temperatures, and resistance from water, shock and vibration. The cost of a "ruggedized" laptop exceeds the Office of Information Technology's maximum amount of \$1,500 for a normal laptop; however, it is a state contract purchase.

No state match is required in order to receive these grants.

**II. IMPACT ON FUTURE FISCAL YEARS**

Approval of this BA-7 request will have no impact on future fiscal years. The budget period for these grants is from 09/01/09 to 08/31/12 but all monies are expected to be expended in FY 10.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

**LEGISLATIVE FISCAL OFFICE  
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**DEPARTMENT:** Health & Hospitals

**AGENDA NO.:** 4

**AGENCY:** Medical Vendor Payments

**ANALYST:** Shawn Hotstream

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Private Providers	\$0	0
Interagency Transfers:	\$0	Public Providers	\$0	0
Self-Generated Revenue:	\$0	Medicare Buy-Ins & Supplements	\$0	0
Statutory Dedications:	\$0	Uncompensated Care Costs	\$0	0
Federal Funds:	\$0	Auxillary	\$0	0
		Program 500	\$0	0
<b>Total</b>	<b><u>\$0</u></b>	<b>Total</b>	<b><u>\$0</u></b>	<b><u>0</u></b>

#### **I. SUMMARY/COMMENTS**

The purpose of this BA-7 is twofold. First, this BA-7 requests to appropriate \$29M in statutory dedicated funds within the Overcollections Fund to the Medicaid Program. The original source of funds are SGF made available from the use of federal stimulus funding from the American Recovery & Reinvestment Act and subsequently appropriated to the Overcollections Fund. Additionally, the BA-7 requests to reduce other statutory dedicated funds currently appropriated in FY 10 by a like amount. The original source of these funds are provider fees appropriated in the Medical Assistance Trust Fund.

HB 802 (Act 226) of 2009 deposited \$29M in SGF made available through the stimulus bill into the Overcollections Fund (as a result of conference committee amendment No. 16). This was accomplished through a series of bills as reflected below:

HB 881 (Act 122) - (FY 09 Supplemental bill) - reduced SGF authority by \$344.5M and increased federal authority by \$344.5M. This means of finance swap appropriated federal stimulus funds that were earned in FY 09 but were not appropriated, and reduced SGF that were appropriated in Medicaid in FY 09 by a like amount.

HB 802 (Act 226) - (FY 09 funds bill) - this bill moved \$315.5M in SGF into the Medical Assistance Trust Fund (MATF), and moved \$29M in SGF into the Overcollections Fund ( \$315.5M + 29M = \$344.5M)

However, according to the Legislative Auditor's Office, the deposit of these funds may be considered as being out of compliance with stimulus regulations requiring Medicaid stimulus funding to be restricted to allowable Medicaid expenditures. Due to a Legislative Auditor's recommendation, the Department of Health and Hospitals is requesting that these funds be transferred from the Overcollections Fund and appropriated as a statutory dedicated fund in the Medical Vendor Payments Program in FY 10. Additionally, the BA-7 is requesting to reduce FY 10 statutory dedication expenditure authority by a like amount in the MATF to not allow for a bottom line increase in the Medicaid program in FY 10.

For FY 10, the Overcollections Fund appropriated budget totals \$122.9M, with \$167.9M in total available revenues, resulting in a FY 10 fund balance of approximately \$45M. According to the Division of Administration, the \$29M represents a portion of that unappropriated fund balance.

#### **II. IMPACT ON FUTURE FISCAL YEARS**

If approved, the reduction in the Medical Assistance Trust Fund budget authority in the current year (FY 10) will result in an increase in the MATF unappropriated fund balance. As of December, the LFO calculates the MATF unappropriated fund balance at approximately \$298.6M (which excludes approval of this BA-7). The LFO assumes the entire amount of the fund balance related to stimulus funds will be appropriated in FY 11 for use before the stimulus eligibility period expires.

#### **III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

Based on the Legislative Auditor's recommendation in consult with the Centers for Medicare and Medicaid Services (CMS), the Legislative Fiscal Office recommends approval of this BA-7 request.

**January 15, 2010**